GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1336
ANSWERED ON:02.03.2001
NON-BANKING COMPANIES IN ORISSA
BHARTRUHARI MAHTAB

Will the Minister of FINANCE be pleased to state:

(a) the number of non-banking companies functioning in Orissa;

(b) the number of depositors who have deposited their money in non-banking companies during the last three years and the amount thereof;

(c) the number of non-banking companies out of the above mentioned non-banking companies disappeared after collecting money from depositors;

(d) the action taken by the Government against those non-banking companies; and

(e) the measures adopted to stop such malpractices of non-banking companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) Reserve Bank of India (RBI) has reported that 187 Non-Banking Financial Companies (NBFCs) which were incorporated in Orissa State have sent their applications for Certificate of Registration to the Reserve Bank.

(b) The information regarding number of persons who deposited their money with these companies during the last three years is not available with the RBI. However, based on the available information, the outstanding public deposits with the NBFCs registered in Orissa State during the last three years were as under:-

31.03.1998	Rs. 787.70 lacs
31.03.1999	Rs. 771.43 lacs
31.03.2000	Rs. 1005.44 lacs

(c) RBI has reported that 12 companies were untraceable at the address available with RBI.

(d) & (e) Comprehensive regulatory framework has been put in place which is aimed at protecting the interests of the depositors and ensuring that NBFCs function on sound and healthy lines. The regulatory framework includes inter-alia compulsory registration, maintenance of liquid assets, transfer of at least 20% of net profit to reserve fund and empowering RBI to issue directions to NBFCs. RBI takes various actions against errant NBFCs for various defaults and contravention of provisions of RBI Act and directions issued thereunder. Government has recently introduced a Bill in the Lok Sabha which is expected to provide better safeguards to the depositors of NBFCs.